



Press release

New equity investment increases cash and produces a positive net cash for first time since 2012

Summary of Financial Results For the fiscal year ended 31st March:

Summary Financial Results fiscal year ending 31st March - S\$ million	FY2018	FY2017
Revenue	67.6	79.7
Gross Profit (excludes Inventory Provision)	11.2	13.3
Operating Profit - EBITDA (excludes Inventory Provision & Non-Recurring Expenses)	(1.6)	0.2
Total Cash	57.8	6.6
Total Debt	<u>(57.1)</u>	<u>(83.0)</u>
Net Cash	0.7	(76.4)

Unaudited results announced on 28-March-18

Singapore, 25 May 2018 - Gaylin Holdings Limited (藝林控股有限公司) (“**Gaylin**”), a specialist provider of products, services, and solutions to the global offshore oil & gas and maritime industries, today announced its results for the 12 months ended 31 March 2018 (“**FY2018**”).

Low oil prices and the concomitant reduced activity by major customers continued to weigh on Gaylin in FY18. These industry dynamics have been evident since 2015 and severally effected many industry players. Gaylin’s Revenues were down 15% in FY18 from the previous year, while the Gross Profit was down 16%. Over the past few months Gaylin has announced significant financial and corporate actions to enhance financial stability and strengthen operational competitiveness.

On 13 March 2018, Gaylin received a S\$68 million equity investment from PeakBayou Limited, an investment company managed by ShawKwei & Partners. In addition, Gaylin also completed a debt restructuring program extending the maturity of its bank debt. As a result of the new equity injection and debt restructuring, at 31st March 2018 the cash balance was S\$57.1 million, while short-term debt decreased to S\$8.9 million, and long-term debt increased to S\$48.2 million. Importantly, Gaylin’s net cash (Cash minus Total Debt) was S\$0.7 million at 31st March 2018, the first positive balance since 2012.

During April 2018, Perry Kennedy joined Gaylin as the new CEO and during March 2018, James Parsons joined as the new Global Managing Director. Since joining, they have undertaken a comprehensive review and subsequent actions to establish a firm foundation for Gaylin’s future, including:

- Completed group-wide asset rationalization, resulting in S\$35.5 million provision for slow moving and aged inventory. The inventory provision will reset Gaylin's inventory cost base and allow Gaylin to be more competitive in pricing;
- Expensed in FY2018 non-recurring and restructuring related costs of S\$6 million to eliminate redundancies and unnecessary non-core expenses;
- Announced the proposed acquisition of Amos International Holdings Pte. Ltd.; and,
- Initiated strategies to revitalize and grow Gaylin's businesses across 10 operations located throughout Asia, Middle East, and Europe.

Kyle Shaw, the Executive Chairman of Gaylin as well as Managing Partner of ShawKwei & Partners, said, "The new equity investment, the debt restructuring, and the new management team will provide financial stability, improve market competitiveness, and strengthen Gaylin's abilities in its major markets."

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About Gaylin Holdings Limited

Gaylin was founded in 1974 by the Teo family and listed on the Singapore Stock Exchange in 2012. Gaylin has a long history and experience serving clients in the global offshore oil & gas and marine industries. As a specialist provider of rigging and lifting equipment and solutions to the global offshore oil & gas industry, Gaylin's extensive products include heavy lift slings and grommets, wire rope slings, crane wire, mooring equipment, and related fittings and accessories. Gaylin also provides a complimentary range of engineering services, including design, fabrication, spooling services, load testing and certification, for customers customized to their specific requirements. In addition, as part of its value-added customer service, Gaylin supplies a variety of ship stores and equipment to ships and oil rigs. Gaylin is headquartered in Singapore with operating subsidiaries in Dubai, Azerbaijan, Kazakhstan, Malaysia, Vietnam, Indonesia, China, Korea, and Scotland.

About ShawKwei & Partners

ShawKwei & Partners is a private equity fund manager investing across the Greater-Greater China region since 1998 with offices in Hong Kong and Singapore. ShawKwei & Partners invests in mid-market manufacturing, industrial, and service companies operating across Greater-Greater China. After investing, ShawKwei & Partners helps companies to improve operations, acquire other companies, and raise growth capital from banks as well as equity investors. ShawKwei & Partners builds better businesses by partnering with management to identify and realize sustainable performance improvements in areas such as sales growth, margin expansion, and capital efficiency. Other recent investments by ShawKwei include YongLe Tape, China's leading adhesive tape manufacturer; Beyonics Pte Ltd, a leading precision engineering company with operations across Asia; and Amos International, which provides supplies, services, and solutions to international shipping fleets and oil & gas companies. Kyle Shaw is the Managing Partner and founder of ShawKwei & Partners and is a pioneer in Asian private equity having managed investment portfolios since 1990. For more information please visit: www.shawkwei.com.